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Three forms of *social coordination*

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Modernization brings with it a rapid process of differentiation which increases the dynamism of society but also aggravates the phenomena of disintegration and fragmentation. These opposing sides of the process give rise to uncertainty and a sense of defencelessness. The protective aura of the State fades away, while at the same time the very notion of society becomes empty and unsubstantial. There is a general feeling of uneasiness, in which all evils tend to be blamed on "bad government" and the imperfections of social life are seen as the direct consequence of political ineptitude. However, the natural concern to tackle the (very obvious) problems of governance may prevent us from seeing the real underlying conditions. We must ask ourselves: what is the structural context in which the question of the democratic governance of Latin American society is currently posed? Perhaps we should take one step back and ask ourselves how society ensures a certain degree of basic coordination among the different processes and actors (both individual and collective) that make it up. Put in this way, the question implies a very far-reaching reconstruction of all our theories. Basically, it is a question of forming a whole new conception of social coordination under the new conditions, but before we can do this it is necessary to place the problem of social coordination within the present context. The following notes are merely designed to sketch out a broad picture in which coordination is seen as a crucial problem in the current reorganization of Latin American societies.

I

Political coordination

In modern times, the preferred agency of social coordination has been the State. The classical idea of the State, which still prevails even today, is based on sovereignty. We may distinguish between the external sovereignty of the State (guaranteeing national unity with respect to the international system of States) and its internal sovereignty (ensuring cohesion within society). Leaving aside constitutional considerations, State sovereignty presupposes two fundamental features: i) a clear distinction between the State and society, and ii) the centralization of power in the hands of the State as the decisive agent of social order. The State represents a structure for legitimate domination in so far as it is recognized as the supreme authority having the exclusive right to take decisions which are binding on the entire population and, if necessary, to impose them by punitive measures. On the basis of its position as the hierarchical centre of society, the State links together the various aspects of social life through political coordination.

How does this political coordination work? It is based, of course, on the existence of a system of public administration and on the rule of law (both through the body of laws and the administration of justice), but it also works through economic policy and even through education (socialization through the transmission, in school, of shared rules, knowledge and habits). Through such mechanisms, the State links up and synthesizes the natural social diversity into a more or less coherent unified whole. In general terms, political coordination is distinguished by the fact that it is:

i) centralized: the State is the only guiding body, or, to put it another way, the apex of the pyramid of society, from which the whole set of social processes is ordered;

ii) hierarchical: decisions are taken and communicated by the legitimate political or administrative authorities through the established legal procedures;

iii) public: the foundation and target of political coordination is the citizenry and their actions in the field of public affairs;

iv) deliberate: coordination is effected in accordance with predetermined purposes and criteria.

Even today our conception of social coordination is marked by the specific form of political coordination. The State's power of legal regulation has never been the only form in this respect: money and knowledge also operate as coordination mechanisms, while other areas such as religion, ethics or culture also make indirect contributions. In so far as the State becomes the main agency of coordination, however, some dimensions of political coordination assume the character of general criteria. Thus, the commonly-held idea of coordination usually refers to three dimensions which are implicit in political coordination:

i) regulation, in that it legally orders the relations between different processes and actors and settles possible conflicts;

ii) representation, in that it reflects the prevailing ideas on social order and offers a symbolic image of the "unity" of social life through which the various actors feel that they all belong to the same society;

iii) leadership, in that it channels social differences into a shared view of the future.

As the State has been shaped, so too has its coordination function been delimited and made more specific. Concepts such as the Rule of Law and the Welfare State, together with theories on democracy and pluralism, shape and interpret the scope of political coordination. These brief references are enough to give an idea of its theoretical determination. In order to illustrate the practical scope of political coordination, I shall refer to its best-known institution:

□ This article incorporates elements of a paper presented at the meeting to commemorate the 35th anniversary of CENDES, Caracas, 9-11 October 1996; the text forms part of the project "Reform of the State: the new dynamics of social coordination" which I am carrying out in conjunction with René Millán and Francisco Valdés. I am indebted to Dirk Messner's excellent work *The Network Society*, the subtitle of which is "International Competitiveness and Economic Development as Problems of Societal Governance", which I consider to be extremely instructive both for those engaged in theoretical reflections on reform of the State and for those engaged in the formulation of specific second-generation reforms (see Messner, 1995). It goes without saying, however, that I bear full responsibility for the views expressed in this article.

planning. As a result of the 1929 crisis and the "war economy", even in societies with market economies it seemed feasible and desirable to adopt a form of "organized capitalism" in which State coordination could control the irrational features of the market. This rationalizing intervention of the State depends, however, on certain conditions. It presupposes a social situation of limited complexity (in order for abstract rules to be applicable); a simple and direct chain of causality (in order to be able to influence the target population); access to all the relevant information (in order to be able to presume that the instructions are correct), and finally, obedient execution of the measures applied (i.e., without requiring any personal initiative on the part of the executant or his identification with the objects pursued). We may speak of a "rational planning paradigm" based on three assumptions: i) unambiguous and clearly ranked goals, unambiguous and clearly assigned means, and a similarly unambiguous causality; ii) clear criteria—profitability, efficacy, efficiency—for determining and appraising the fulfillment of the established goals; and above all, iii) the assumption that a multiplicity of individual rational actions combine together, without cracks or gaps, to give a rational and optimal final result (Messner, 1995, p. 89).

In Latin America, political coordination has found its clearest expression in the developmentalist State of the 1960s. This form of State may be characterized as consisting of the linking-up of three pivotal elements: i) the State acting as the driving force of economic development by promoting a process of import substitution industrialization; ii) the assertion of the State as the representative of the nation, extending (political and social) citizenship to previously marginalized social sectors; and iii) rationalization of the State's active intervention on behalf of a modernization project. Within this framework, the Latin American countries create special planning instruments to coordinate the various aspects of economic and social development.

It is easier now, in retrospect, to see the merits and failures of the developmentalist State in Latin America. It was the right answer to the (national and international) conditions that prevailed after the Second World War, but its internal contradictions soon revealed themselves. The breakdown of democracy in Chile in 1973 was perhaps the most dramatic expression of its limitations, because it was at that moment that a whole set of problems exploded,

subsequently affecting the other countries of the region to a greater or lesser extent. To use the terms of Habermas, we may speak of:

i) a crisis of rationales: the recurring fiscal crisis (aggravated by the external debt crisis of the early 1980s) indicates that the dynamics of politics and economics are subject to their own specific types of logic, so that political management of economic variables is subject to limitations;

ii) a crisis of legitimacy: the ideological polarization of those years points to a profound division in society regarding the desired type of social order;

iii) a crisis of motivation: the political-ideological conflict weakens identification with the State and, hence, the willingness to obey its instructions.

The coordinating function of the State is not only in question in Latin America. In Europe, too, it is displaying more and more shortcomings. In the 1970s, the hopes placed in planning and the "invisible political hand" of pluralism suffered a decline. At the same time, however, a paradoxical situation arose: the growing demands for State intervention led to over-regulation of social life while burdening the State with an overload of demands.¹ The concept of the integral coordination or global planning of society has also collapsed, while doubts are being raised about democratic governance. Milder formulas such as neo-corporativism, based on recognition of the fact that the main organized interests (employers and unions) must collaborate in any effective attempt to coordinate the economic process, are also showing their limitations. Wherever we look, ordered coordination by the State is beginning to run into serious obstacles because of:

i) problems of implementation: the agencies and organs of the State no longer implement political programmes properly, either because the institutional structures are not suitable or because intermediate levels distort communication;

ii) problems of motivation: the target population refuse to obey, either because the social actors demand greater freedom of action or because there are organized interests with relative "power of veto";

iii) problems of knowledge: there is a lack of information about the contexts and dynamics it is sought to influence;

¹ Messner, 1995, p. 144. The initial diagnosis goes back to the well-known report of the Crozier/Huntington/Watanuki Trilateral Commission, 1975).

iv) problems of complexity: because of the growing differentiation and complexity of social conditions, the available political instruments are no longer efficient.²

The increasingly restricted scope of State intervention indicates a weakening of both the external and internal sovereignty of the State. Externally, the State's sovereignty is reduced by globalization, especially because of the great autonomy of international financial flows and the growing weight of supranational bodies. Internally, the central role of the State is under question because of the new complexity of

social life, the rise of many economic and social actors with the capacity to pressure and "colonialize" the intervention of the State, and also the spread of individualistic types of motivation which undermine community spirit: that is to say, the very ethical and normative resources on which political coordination used to be based (Messner, 1995, p. 121 *et seq.*). In the late 1970s, and above all after the financial collapse of 1982, it became clear that the "State-centered model" was exhausted. It was in this context that the neoliberal offensive was launched to propose and impose a new form of social coordination.

II

Social coordination through the market

The success of neoliberalism is due to the generalized disillusionment with political coordination. Since the late 1970s, the neoliberal strategy has been denouncing the paradoxical effects of State action – blocking social development instead of promoting it – while at the same time promoting a set of measures (market liberalization, deregulation, privatization, administrative decentralization) designed to strengthen the role of the market. In the light of the growing shortcomings of political coordination, neoliberalism aims (at least in its ideological pronouncements) to make the market the exclusive principle of social coordination. Underlying this "silent revolution" there is a different concept of order. Taking up once again the liberal inspiration that saw society as "the result of human action, but not the execution of some human design" (Ferguson, 1767), the neoliberal proposal sees social order as a self-organized and self-regulated type of order. Consequently, instead of seeking to offset the centrifugal tendencies of a differentiated society through central coordination, it seeks instead to do away with all political interference that distorts the "market laws", seen as an automatic mechanism for ensuring equilibrium.

Although the declared objective of the neoliberal discourse is to secure a radical reorganization of society, in actual fact its reforms operate primarily as

antidotes to State intervention. However, we should clearly distinguish between the two forms of coordination in order to appreciate the problems raised. Thus, unlike political coordination, coordination through the market is characterized by being:

i) decentralized: it is assumed that the differentiation of society means the elimination not only of a single centre but of all centres;

ii) private: coordination no longer refers to the citizenry, and hence to some idea of the "common good", but to the relations among individuals as private proprietors;

iii) horizontal: the weakening of the hierarchical structure is radicalized to the point of denial of any kind of relation of domination, and its place is taken by a succession of agreements among equals on exchanges among equivalents;

iv) non-deliberate: as the market is taken as a paradigm for the spontaneous balancing of interests, social coordination is seen as the automatic, non-deliberate result of social interaction.

The neoliberal strategy is a success in terms of the structural adjustment of the Latin American countries to the new national conditions (differentiation) and the international situation (globalization), but it is a failure in terms of its fundamental aim of reorganizing social coordination as a function of the market rationale. It is worth recalling once again the paradox of neoliberal ideas: in actual fact, a strategy devoted to the elimination of State intervention is only successful when it is backed up by strong political inter-

² Messner, 1995, p. 90 *et seq.*, citing research by Renate Mayntz.

vention. This was so, for example, in the cases not only of Chile under Pinochet, but also of Mexico under Salinas, Argentina under Menem or Peru under Fujimori. In all these cases, it is abundantly clear that economic modernization depends to a decisive extent on the leading role of the President. This new brand of "strong government" is not just a reflection of the presidential system. The Executive assumes this leading role because the horizontal coordination effected by the market is only partial. Indeed, proper functioning of the market is itself dependent on the existence of suitable social and political institutions.

In the space of a few years, the attempt to coordinate social life through the market has already left some important lessons. First, the Latin American countries are rapidly learning that the world market—the main referent of structural adjustment—operates according to the "systemic competitiveness" paradigm.³ This means that, for international competitiveness, the comparative advantage of one or another economic factor is not as important as a country's capacity for organization and management, in order to combine a wide range of economic and non-economic factors. "The world of production governed by the new paradigm is marked above all by the importance of technology, whose development and consequences are long-term phenomena. Within this context, maintaining efficiency depends on the establishment of strategies with a broad time horizon and collective mechanisms capable of reducing the corresponding high levels of uncertainty" (Pérez, 1996, p. 363). Thus, it requires the deliberate linking-up of very diverse actors around a "collective strategic consensus": that is to say, active intervention that goes beyond the private initiatives of the market.

Second, the Latin American experience shows that the market alone neither generates nor sustains a social order. The market (together with the administration) promotes a form of systemic integration based on a formal (technical) rationale, but it does not promote social integration. On the contrary, it accentuates social inequalities, promotes exclusion and generalizes tendencies towards disintegration. The globalization of markets is itself accompanied by strong segmentation within each society. The disaggregating dynamics of the market thus clearly show up its limitations as an agency of coordination.

Third, we must question the neoliberal principle of "radical individualism" (including "public choice") as the only rational form of conduct (Messner, 1995, p. 176 *et seq.*). As we observed in the preceding paragraphs, there can be no social coordination unless individuals are guided by some kind of "common good". Social coordination presupposes that the various actors (both individual and collective) have a combination of instrumental rationality (in order to maximize their private benefits) and a community line of approach. The fact that there is no longer a single type of morality, binding on all, highlights the need for mutual recognition in social relations. In reality, individual freedom to form preferences and take decisions is tempered by the social and cultural environment and, in particular, by the various collective identities. The symbolic dimension of coordination is therefore extremely important. In contrast, the market offers neither a collective idea of the existing order nor a forward-looking horizon. In other words, coordination through the market does not include two typical dimensions of political coordination: representation and leadership.

In the early 1990s there are two basic lessons to be drawn from the modernization processes in Latin America. On the one hand, the prevailing strategy has given rise to an impressive expansion of the market-based society, which has generated an unusual degree of social dynamism in the region. Latin American society is taking on such a level of complexity that it is no longer possible to think in terms of a central social coordinating body. At the same time, however, that same advance of modernization and the consequent diversification of the actors (further heightened by globalization) increase the need for coordination. This shows how severely limited the coordinating function of the market is. Spontaneous horizontal coordination among the actors is important, but it is not sufficient to establish the fundamental rules of social coexistence, to generate collective forms of representation of the social order, and to offer forward-looking leadership to deal with future challenges.

Consequently, in little more than one decade Latin America has progressed from discovery of the market to rediscovery of the State. There is now no doubt that retrofitting of the economy is only viable (both economically and socially) if it is based on a set of new institutions specific to a market-based society, such as regulatory bodies, anti-monopoly com-

³ See, among others, Bradford (1994) and Esser, Hillebrand, Messner and Meyer-Stamer (1996).

missions, regional development agencies, export promotion bodies, consumer protection agencies and, above all, social security systems. The development of such a set of institutions is all the more difficult because nowadays there is not only a much larger number of actors taking part, but these also have a much greater capacity for resistance and mobilization against measures that affect their own particular interests.⁴ Unlike the first phase, it is no longer possible to invoke "fear of chaos" in order to impose

certain reforms. In all the countries, to a greater or lesser extent, society at large is stronger and highly diversified. The situation is marked by growing social complexity which makes necessary slow and complicated processes of negotiation and consensus-building. Consequently, politics once again assumes a leading place as a means of formulating consensuses on basic rules and sectoral accords. It is in this context that a third form of social coordination is gaining force.

III

Social coordination through networks

The speed with which the "State-centered society" collapsed after having existed for so long in Latin America, and the even greater rapidity of the rise and fall of the neoliberal counteroffensive, make us feel as though we are caught up in an avalanche which is sweeping us away to a destination of which we have no inkling. While we devote ourselves every day to our laborious efforts to adapt to the surprises that life has in store for us, we lose sight of the structural changes that are taking place in our societies. Rather than an ideological debate ("The State versus The Market"), what we need is to reconstruct an interpretative framework for the new social conditions. We see, then, that our accustomed conceptual apparatus has become obsolete. The familiar notions of "the State" or "politics" now seem too crude to take account of phenomena which we sense to be much more complex. It is time to call a halt and have resort to the advances made in the social sciences. In order to gain a systemic picture of the problems which we have seen to be besetting social coordination, the theory of systems developed by Niklas Luhmann seems particularly promising. This theory places special emphasis on a tendency which has been increasingly present throughout the evolution of society and which has now assumed striking importance: the process of functional differentiation. This process, typical of modernization, causes certain areas of social life (economics, law, science, education, politics) to

develop specific rationales and dynamics and thus form relatively closed and self-referential "functional subsystems". These operate according to their functional codes and therefore only assimilate external "messages" to the extent that these can be translated into the internal "logic" of the subsystem. Luhmann extrapolates the conclusions of this tendency to highlight two consequences: the great self-sufficiency of each functional subsystem and, hence, the absence of any centre.⁵ Seen in these terms, politics is reduced to just another subsystem, without any capacity to influence the other subsystems.⁶

Luhmann's theory seems to exaggerate the tendencies implicit in functional differentiation. Rather than the elimination of all centres, we may assume the elimination of a single centre capable of ordering the whole of society, so that society will have to be conceived as a constellation with multiple centres. Nor will there be elimination of all influence of the political subsystem in other areas. Instead, its field of action will be limited by the need for compatibility with the internal logic of the other subsystems. Consequently, we may draw two conclusions which are of crucial importance for social coordination: first,

⁴ With regard to institutional aspects of reform of the State in Latin America, see *inter alia* Nafm, 1994.

⁵ "No system of functions, not even the political, can take the place of hierarchy and its summit. We live in a society which cannot represent its unity in itself, as this would contradict the logic of functional differentiation. We live in a society without a summit and without a center. The unity of society no longer comes out in this society" (Luhmann, 1987, p. 105).

⁶ The same applies, of course, to economics: it cannot coordinate and legitimize the whole of society either. For a general presentation of the theory, see Luhmann and De Georgi, 1993.

politics loses its central hierarchical position, and second, any political intervention in other subsystems will therefore be restricted.

Differentiation is not a new process; indeed, modernity is characterized by the tension between differentiation and integration. However, the new nature of this differentiation also affects the process of social integration. According to Luhmann (1992), the end of the meta-relations characteristic of post-modernity means putting an end to "second-level" coordination. In other words, all "higher authorities" capable of coordinating society would disappear and social coordination would therefore have to be internalized within each subsystem. The subsystems would coordinate with each other through internal adjustments which would assimilate external signals and upsets. Coordination would thus be incorporated into self-regulation. Such a form of mutual adaptation seems shaky, however, in view of the great interdependence of politics, economics, law and science. Major problems cannot be confined to a single area. Indeed, one of the most striking phenomena today is the way that the increase in the independence of each subsystem is simultaneously matched by the increase in their interdependence. While the self-referential dynamic of every functional subsystem inexorably increases, at the same time increasingly global contexts are taking shape which cut across different subsystems.

Luhmann's work has the merit of offering a theoretical framework for analysing the differentiation and consequent autonomy of specific functional logics. This makes it possible to understand the structural reasons underlying the difficulties encountered by political coordination in recent times. It has become clear that the restriction of the field of action of politics is not due to a "neoliberal plot" or to the incapacity of political leaders. What is happening is that we are witnessing a profound restructuring of our societies which undermines the previous "primacy of politics". However, the expansionary nature of politics has not disappeared: it still intervenes in the other subsystems to the extent that political decisions fit in with their specific logics. Luhmann's theory does not take account of this special feature of politics.⁷ Like

every theory of systems, it does not deal with the interactions among actors either, although this is a central aspect of any form of coordination. It does, however, help to gain an idea of the conditioning of actors in line with the "functional logic" of their field of action. In this sense, it helps to establish the new frame of reference within which we must analyse the problems of social coordination.

Dirk Messner (1995, p. 171 *et seq.*) sums up the new context in the following tendencies:

- i) the functional differentiation process highlighted by Luhmann leads to the growing sectoralization of society;
- ii) this means a drastic increase in the interests at stake and a much larger number of actors, leading to an over-abundance of participants in policy formulation;
- iii) the differentiation of the actors increases the demands for State intervention, so that there is an increase in the number of agencies and policies burdening the State;
- iv) this means that there is greater internal differentiation of the State apparatus: this apparatus was never a monolithic unit, but now its heterogeneity becomes its most outstanding feature;
- v) because of the differentiation of society and the overloading of the public administration, the State has to delegate functions; such delegation is itself a policy;
- vi) this reminds us of Luhmann's paradox: the relative autonomy of each functional subsystem increases, but so does their mutual interdependence;
- vii) the greater interaction of State agencies and social actors and the creation of mixed agencies help to dilute the borderline between public and private matters;
- viii) the need to link up and share resources (information, knowledge, etc.) belonging to different actors gives rise to systemic interaction which transcends both the market mechanisms and the means of hierarchical control;
- ix) this new complexity of social relations is further heightened by the globalization processes, which give it a transnational dimension.

In view of the change of context which has occurred in recent years, it seems obvious that centralized coordination by the State is no longer sufficient, while coordination entrusted entirely to the market laws is inappropriate. Nowadays, any approach to social coordination must take account of

⁷ For a critical analysis of Luhmann from the standpoint of political science, see Von Beyme (1994) and Messner (1995, p. 132 *et seq.*).

the following dimensions of the problem (Messner, 1995, p. 165):

- i) the growing complexity of the process (from recognition of a problem to implementation of policies and evaluation of their effects);
- ii) the increasing number of actors involved (State and private);
- iii) the important role played by cooperation among the State, the market and social institutions (civil associations, universities, etc.);
- iv) the existence and combination of different organizational structures (hierarchical State coordination, neo-corporative pacts, business agreements, etc.);
- v) the wide range of coordination tasks (from collecting information to consensus-building);
- vi) the differentiation of State functions (from the legal system to the execution of functions of arbitration, follow-up, guidance and supervision);
- vii) the differentiation of the instruments used (from administrative decrees and public law contracts to less direct mechanisms such as financial incentives, formal and informal agreements, or mere "signals" issued through the distribution of information).

The recent vogue for coordination through networks comes under this context. In general terms, this means horizontal coordination among different actors interested in the same matter, with a view to negotiating and agreeing upon a solution. Messner (1995, p. 211 *et seq.*) defines a network as follows:

- i) it is an institutional invention in line with the special features of a polycentric society;
- ii) it combines vertical and horizontal communication, but it is a special kind of coordination, different from political coordination or coordination through the market;
- iii) it links up different organizations and establishes interaction among their representatives (this does not refer to relations within a single organization);
- iv) it is political when it links up State authorities (which may be different bodies that are in conflict with each other) and/or political parties with economic and social actors;
- v) the relations within it tend to be informal rather than formal (it does not involve the formation of a new organization);
- vi) there is mutual dependence among its participants (none of them, alone, has all the resources—information, financial resources, legal facilities—needed to solve the problem, and therefore depends on the cooperation of the others;

vii) its objective is to formulate and implement collective decisions on a given shared issue (i.e., the participants are responsible for duly executing the decisions taken and are therefore jointly responsible for the solution of the problem; when this is achieved the network is dissolved, as a tie which is limited in time);

viii) the starting point for the network is a conflict or division of interests which it settles through competitive cooperation (each actor defends his own interests while collaborating in the efforts to decide on a shared solution).

Different types of networks may be distinguished, depending on the number of participants, the strength or weakness of the links among them, the degree of stability of the network, its field of action, etc. At all events, every network obeys a certain functional logic,⁸ which is reflected in some minimum rules such as the fair sharing of costs and benefits among the participants; reciprocity (which goes beyond mere exchanges and includes confidence, fair play, and inter-subjective links which give the feeling of belonging to a community); the self-limitation of each actor, and respect for the legitimate interests of the other actors.

In Latin America, special attention should be paid to the need for a relationship based on mutual confidence: a relationship which is all the more risky, but at the same time all the more essential, in situations of uncertainty. Mutual confidence (beyond the field of everyday affairs) operates as a means of reducing complexity and thus acts as a powerful lubricant for cooperation. Wagering on confidence, in spite of the danger of being disappointed, is often a rational risk to take, precisely in confrontation situations. In the situations of impasse and deadlock which are so frequent in our countries, it is worth recalling Axelrod's studies.⁹ If the actors cannot avoid a relationship of mutual dependence, whether conflictive or cooperative, and if this situation may last indefinitely, so that the eventual costs and benefits cannot be calculated, then cooperative relations may arise even in a context of great distrust.

⁸ See Messner, 1995, p. 284 *et seq.* For some empirical studies of networks, see Marin and Mayntz, eds., 1991.

⁹ Messner cites Axelrod, 1984.

As we have seen, the vogue of networks in recent years is due to the growing differentiation of society. When social life is reflected in a heavy density of actors, social coordination can no longer be entrusted exclusively to the hierarchical order. On the contrary, networks only work satisfactorily when there are a considerable number of representatives of social interests and opinions. The strengthening of society at large, however, does not mean a zero-sum correlation to the detriment of the State. Cooperation among the economic and social actors requires the intervention of the State, because this possesses various resources that cannot be transferred (legal fulfillment of agreements, international accords) or additional means (financial resources, systematically classified information). Thus, a basic premise for coordination through networks is that there should be a certain degree of equilibrium between society and the State. The two tendencies – on the one hand, the diversity and strengthening of society at large, and on the other the redimensioning of State action – generate far-reaching changes in politics (see Lechner, 1996). There is thus a process of informalization of politics, which tends to go beyond the institutions of the political system and occupy new “grey areas” midway between politics and society. It is the combination of a strong society with a strong State which gives rise to political networks as a combination of hierarchical regulation and horizontal coordination.

What does this new form of coordination mean for the State? As another German social scientist (Renate Mayntz) notes: “the recent discussion on political sciences reveals that in actual fact we cannot speak of a meek and resigned withdrawal of the State. The traditional tasks of the State, which are no longer carried out by unitary nation-States but by a politico-administrative system with various levels, are now increasingly accompanied by the tasks of managing social interdependence. (...) “Leadership”, in the sense of deliberately influencing social processes, continues in principle to be the specific function of the politico-administrative system. What has changed is the way the State tries to carry out its tasks” (Mayntz, 1995, pp. 157 and 163). In other words, we are not witnessing a withdrawal, but a change in the State’s form of action.

As we have seen, a crucial problem is the interdependence of the different functional subsystems: the interdependence, for example, between politics and economics or between science and economics.

Solving this crux would appear to be a specific task for politics. According to Mayntz, “formulating the problem of interdependence makes it possible to define the content of the function of politics: the management of systemic interdependence. In effect, we have seen that, under the influence of the theory of modernization, the debate on the theory of the State is moving in the direction of coordination tasks” (Mayntz, 1995, p. 155).

In fact, various aspects of the new form of coordination inevitably fall to the lot of the State. Dirk Messner (1995, p. 343 *et seq.*) identifies some typical fields of State intervention:

- i) tasks of organization, coordination and moderation (e.g., establishing networks and bringing the corresponding actors together around the discussion table);
- ii) functions of mediation (for example, solving veto or deadlock situations);
- iii) tasks of control (for example, entrusting private institutions with the implementation of public services);
- iv) functions of taking the initiative or providing guidance (for example, asserting general interests or long-term considerations in the networks);
- v) corrective functions (for example, promoting the establishment of a representative actor or strengthening weak actors).

In an era of great uncertainty which, in the final analysis, can only be offset by inter-subject linkages, networks operate as a kind of “mutual insurance”: they discipline competition, obviating its destructive aspects and channelling mutual expectations in a positive manner. Networks can operate at various levels (national, regional, local) and can deal with very diverse problems. It is through networks that we are able to negotiate the privatization of technologically complex areas (energy, telecommunications), regional development plans or sectoral reforms such as those referring to the environment or the health or educational systems. In these cases, a network facilitates not only the linking up of different, often antagonistic, actors and their respective strategic resources, but also the effective execution of the decisions taken. This co-responsibility in the execution of agreed measures is particularly important in view of the weakening of the State’s regulatory capacity.

Much of the politics dealing with real situations now takes place in such networks. However, there should be no illusions about their importance in the

coordination of social processes. They are not a panacea that can solve every problem. Furthermore, coordination through networks is also subject to serious risks. Special mention may be made of three of these:¹⁰

First, blocking of the decision-making process, either because an actor has the power of veto or because of ties of confidence or even complicity among actors, may lead to a breakdown of the debate and the paralyzation of decision-making. Moreover, the internal coherence of the network tends to avoid conflicts and thus lead to the blocking of necessary innovations.

Second, there is the danger of the externalization of costs to third parties who do not form part of the network: every network is always tempted to shift the costs of its agreements to third parties. For example: a network for reforming the health system includes State authorities, medical associations and trade unions, but not the population, which, although it is the main party affected by the matter, does not have organized interests and is thus not an actor that will normally be represented in the network.

Third, there is the danger that the decisions taken may not be effectively binding: although a distinctive feature of networks is precisely that all the participants undertake to collaborate in the execution of the agreements reached, networks generally do not have any power to punish those who do not fulfill their undertakings. All the efforts made are in vain if, subsequently, one of the participants goes back on his word.

Coordination through networks does seem to provide a satisfactory solution to one of the problems mentioned at the beginning: that of regulation. In contrast, it seems less suitable for dealing with the other two requirements of social coordination: representativity and forward-looking leadership. The most notable weakness of coordination through networks lies in its "deficit of democracy". No matter how efficient, effective and efficacious this form of coordination may be, nothing ensures that it will be democratic. The non-organized population has no access to networks, and even though the State representatives on them should assert the "general

interests", there may not have been any prior democratic deliberation about that particular "common good". There is no intrinsic connection between coordination through networks and democratic institutions. On the contrary, functional representation through networks and the form of territorial representation typical of democratic institutions may come to be mere parallel channels, if not downright contradictory. Specifically, there are grounds for fearing a shift in the attitude of the political parties. In view of the precarious way parliaments operate in our countries, their legislative function could easily degenerate into mere rubber stamping of agreements reached in the shadowy ambit of the networks. In response to these risks, Messner (1995, p. 359 *et seq.*) proposes that coordination through networks should be made part of the Habermasian triangle formed by the communicational power (elections, parliament, public opinion), the social power (organized interests) and the administrative power (government, the courts of justice, the public administration).

Another query that is still outstanding is the integration of society. Messner himself notes that decentralized coordination through a "network of networks" is not the same thing as social integration. It is true that networks operate thanks to integrative resources such as confidence, respect, tolerance, reciprocity, moral sensitivity, community sense, etc., so that they presuppose –just like democracy– the existence of "social capital" (Putnam, 1993) or basic rules of social coexistence. It is not clear, however, what relation there is between the explicit and well-defined coordination through networks and the vague, workaday cohesion provided by the unwritten rules of civil behaviour.

I should like to end these notes inspired by Dirk Messner's book with a few final comments. Firstly, I must repeat that they are of a purely schematic nature. I think that the scheme presented here could be useful for highlighting how changes in social structures condition the forms of social coordination. In line with the changes that take place in society, coordination has operated mainly through the State, the market, or networks. It is not a question of a sequence in which the newest form eliminates the previous one, but rather a combination of the three mechanisms. It is within the framework of this combination that reform of the State should be located.

Secondly, this schematic treatment may represent a first step towards the formulation of an inter-

¹⁰ Messner, 1995, p. 214 *et seq.*; Mayntz, 1995, p. 164.

pretative framework for coordination in differentiated societies. A "map" would make it easier to analyse certain problems such as the greater contingency of social processes. If there is an increase in the number of situations which are neither necessary nor impossible, there will also be an increase in uncertainty; in contingent situations there is an increase in both the need to take decisions and the difficulty of making calculations. Difficulties of forecasting are also connected with simultaneity. If the future horizon draws back towards the present, making it impossible to put off decisions, all actions become tendentially simultaneous. Measures have to be taken, while at the same time a thousand other things are happening that affect the course of action. It is not a question of information, but of time: of the capacity of coordination to secure synchronization.

Finally, it may be wondered, in the light of what was said earlier, whether the current reforms of the

State —which have pretty well run out of steam— should not be reviewed from the standpoint of social coordination. Such an approach would allow us to get an overall view of State action, the market and networks, while the linking up of these three mechanisms would enable us to reformulate the ways in which current society could be coordinated. Seen in this way, State intervention provides an indispensable supplement to the forms of coordination carried out by the market and networks, especially as regards the representation of society as a whole and forward-looking leadership. The fact is that only the State seems to be in a position to ensure the representative dimension of coordination, as well as some capacity for political leadership. Both these aspects have to do with democracy. Might it not be true that the whole significance of a democratic State lies precisely in this function of coordination?

(Original: Spanish)

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